

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Objective and Overall Framework for Negotiations on Non-Agricultural Market Access

Communication from the United States of America

Proposal:

That the *objective* for WTO negotiations on non-agricultural tariffs be to maximize opportunities for achieving market openings and make more uniform the structure of tariff bindings of all WTO members, building upon the Accelerated Tariff Liberalization initiative (ATL) which will be finalized by the time of the 1999 Ministerial. WTO Members agree that a variety of modalities and approaches will be necessary to ensure this objective is met and agree that the principles governing these negotiations shall:

- result in fully bound schedules, consistent with what has already been agreed in the agriculture negotiations in the Uruguay Round, and ensure that all participants contribute to ensure a decrease in tariff disparities that currently exist;
- enable participants to amplify market openings through specific modalities to be agreed including, but not limited to, initiatives of a sectoral nature and/or expanding the scope of country participation in existing initiatives (zero/zero and/or harmonization);
- provide recognition to Members for bound tariff reductions made as part of recent autonomous liberalization packages; for WTO bindings undertaken since the Uruguay Round (e.g., the Information Technology Agreement or the Accelerated Tariff Liberalization Initiative) and for the general openness of markets;
- seek the interim implementation of results to be considered as an integral part of the overall balance of market access concessions to be determined at the conclusion of the new negotiations;
- endorse the use of applied rates as the basis for negotiation, and incorporate procedures to address non-tariff measures and other measures affecting the conditions for imports, on specific products and on a sector basis, as needed to ensure equitable conditions of market access; and
- provide for the granting of improved market access through a variety of means to the benefit of least developed Members by all other WTO Members.

Initial Negotiating Plan

To realize this objective, WTO members

- task the WTO Secretariat through the Committee on Market Access to develop, no later than x date, data profiles and analyses to assist Members in the negotiations;

- agree to present proposals on specific modalities to implement the mandate set forth in this Decision, beginning in January 2000; and
- agree that each WTO Member will table a comprehensive offer following agreed parameters no later than y date.

Background:

The United States supports further market access negotiations in the WTO that will complement the mandated negotiations that will be launched in services and agriculture. To this end, the United States has already initiated the necessary domestic procedures so that it may fully participate at the outset of negotiations on developing options and modalities. Specifically, in March USTR requested that the U.S. International Trade Commission prepare a report on the probable economic effects of various scenarios of tariff reductions for all dutiable items, including tariff cuts of 50 percent as well as duty elimination.

Further negotiations on non-agricultural tariffs should build upon agreements at Seattle which include the Accelerated Tariff Liberalization initiative (ATL) that is supported by a large number of WTO Members. There is substantial work that must be done to prepare for broad-based negotiations on market access. Agreement at Seattle to the basic principles that govern the negotiations and an active work program should ensure the timely conclusion of negotiations that address the broad range of interests and concerns identified. The challenge for WTO Members will be to develop a menu of approaches that address the needs and interests of participants.

A consensus appears to be emerging in the WTO to include negotiations on non-agricultural tariffs in the new Round and delegations appear open to considering new approaches to guide the negotiations. All WTO members should participate in the negotiations, with one overall result being comprehensive bindings at commercially meaningful levels, and provision for improved market access for least-developed countries by all other WTO members through a variety of approaches. The negotiations on non-agricultural tariffs need to be structured in an innovative way that does not favor a single target or approach but allows flexibility. For example, modalities for the negotiations should accommodate the possibility of pursuing sectoral initiatives (zero/zero and/or harmonization) but also permit tariff liberalization in addition to sectoral initiatives.

Finally, an important element of the work program for the negotiations will be to develop the analytical information needed to conduct the negotiations, establish a time frame for tabling detailed proposals on specific modalities for the negotiations, and set a date for tabling country-specific offers based on the agreed upon modalities.